GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5777
ANSWERED ON:02.05.2003
FOREIGN EXCHANGE RESERVE
IQBAL AHMED SARADGI;RATILAL KALIDAS VARMA;YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the foreign exchange reserves have considerably fallen recently;

(b) if so, the details thereof during each of the last three months alongwith the reasons therefor; and

(c) the steps being taken by the Government to maintain the foreign exchange reserve of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (b) & (c): Foreign exchange reserves increased from US Dollar 70.4billion at end December, 2002 to US Dollar 73.6 billion at end January 2003. However, foreign exchange reserves declined marginally by US Dollar 0.7 billion to US Dollar 72.9 billion in February 2003 mainly due to prepayment of certain foreign currency loans from the Asian Development Bank and the World Bank amounting to approximately US Dollar 3 billion in February, 2003. Subsequently, foreign exchange reserves increased by US Dollar 2.55 billion to US Dollar 75.4 billion during March, 2003. The Reserve Bank of India has been closely monitoring the trends and developments in foreign currency markets, domestic money market and country`s foreign exchange reserve position, and appropriate measures are undertaken as and when necessary.